

Senate Study Bill 3019 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON WARNSTADT)

A BILL FOR

1 An Act relating to the use of loss experience by medical
2 malpractice insurers when setting rates.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 515F.4, Code 2009, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 2A. Notwithstanding subsection 2, a
4 medical malpractice insurer shall consider past and prospective
5 loss experience solely within this state.

6 a. If insufficient loss experience exists within this state
7 upon which a rate can be based, the medical malpractice insurer
8 may consider loss experience within any other state or states
9 that have similar claim costs and frequency.

10 b. If sufficient loss experience from any other state is
11 not available, the medical malpractice insurer may consider
12 nationwide loss experience.

13 c. In its rate filing and records, the medical malpractice
14 insurer shall provide detailed information on the data
15 supporting the loss experience it is using.

16 d. When loss experience outside this state is considered by
17 a medical malpractice insurer, as much weight as possible shall
18 be given to loss experience within this state.

19 EXPLANATION

20 This bill requires medical malpractice insurers to consider
21 only past and prospective loss experience in Iowa when setting
22 rates unless insufficient loss experience exists in Iowa upon
23 which to base a rate. In that case a medical malpractice
24 insurer may consider loss experience within any other state or
25 states with similar claim costs or frequency, or if that is not
26 available, the insurer may consider nationwide loss experience.

27 Medical malpractice insurers are also required to provide
28 detailed information on the data supporting the loss experience
29 used and to give as much weight as possible to Iowa loss
30 experience if loss experience from outside the state is used.